STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3
AMENDED REPORT ☐

APPLICATION FOR PERMIT TO DRILL	1. WELL NAME and NUMBER: NBU 736-36E
2. TYPE OF WORK: DRILL NEW WELL (●) REENTER P&A WELL ( ) DEEPEN WELL ( )	3. FIELD OR WILDCAT: NATURAL BUTTES
4. TYPE OF WELL: Gas Well Coalbed Methane Well: NO	5. UNIT or COMMUNITIZATION AGREEMENT NAME: NATURAL BUTTES
6. NAME OF OPERATOR: EOG Resources, Inc.	7. OPERATOR PHONE: 435 781-9111
8. ADDRESS OF OPERATOR: 1060 East Highway 40, Vernal, UT, 84078	9. OPERATOR E-MAIL: kaylene_gardner@eogresources.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE): ML-3140.5	11. MINERAL OWNERSHIP: FEDERAL ( ) INDIAN ( ) STATE (●) FEE ( )
	12. SURFACE OWNERSHIP: FEDERAL ( ) INDIAN ( ) STATE (●) FEE ( )
13. NAME OF SURFACE OWNER (if box 12 = 'fee')	14. SURFACE OWNER PHONE (if box 12 = 'fee')
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')	16. SURFACE OWNER E-MAIL (if box 12 = 'fee')
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')	18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS: YES ( ) (Submit Commingling Application) NO (●)
	19. SLANT: VERTICAL (●) DIRECTIONAL ( ) HORIZONTAL ( )

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	2080 FNL 661 FEL	SENE	36	9.0 S	20.0 E	S
Top of Uppermost Producing Zone	2080 FNL 661 FEL	SENE	36	9.0 S	20.0 E	S
At Total Depth	2080 FNL 661 FEL	SENE	36	9.0 S	20.0 E	S

21. COUNTY	22. DISTANCE TO NEAREST LEASE LINE (Feet)	23. NUMBER OF ACRES IN DRILLING UNIT
UINTAH	560	280
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed): 2700	26. PROPOSED DEPTH: MD: 7025 TVD: 7025
27. ELEVATION - GROUND LEVEL: 4897	28. BOND NUMBER: 6196017	29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE: 49-225

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORCANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	☑ COMPLETE DRILLING PLAN
☐ AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	☐ FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
☐ DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	☑ TOPOGRAPHICAL MAP

NAME Kaylene Gardner	TITLE Regulatory Administrator	PHONE 435 781-9111
SIGNATURE	DATE 09/15/2008	EMAIL kaylene_gardner@eogresources.com

API NUMBER ASSIGNED
43047500630000

APPROVAL

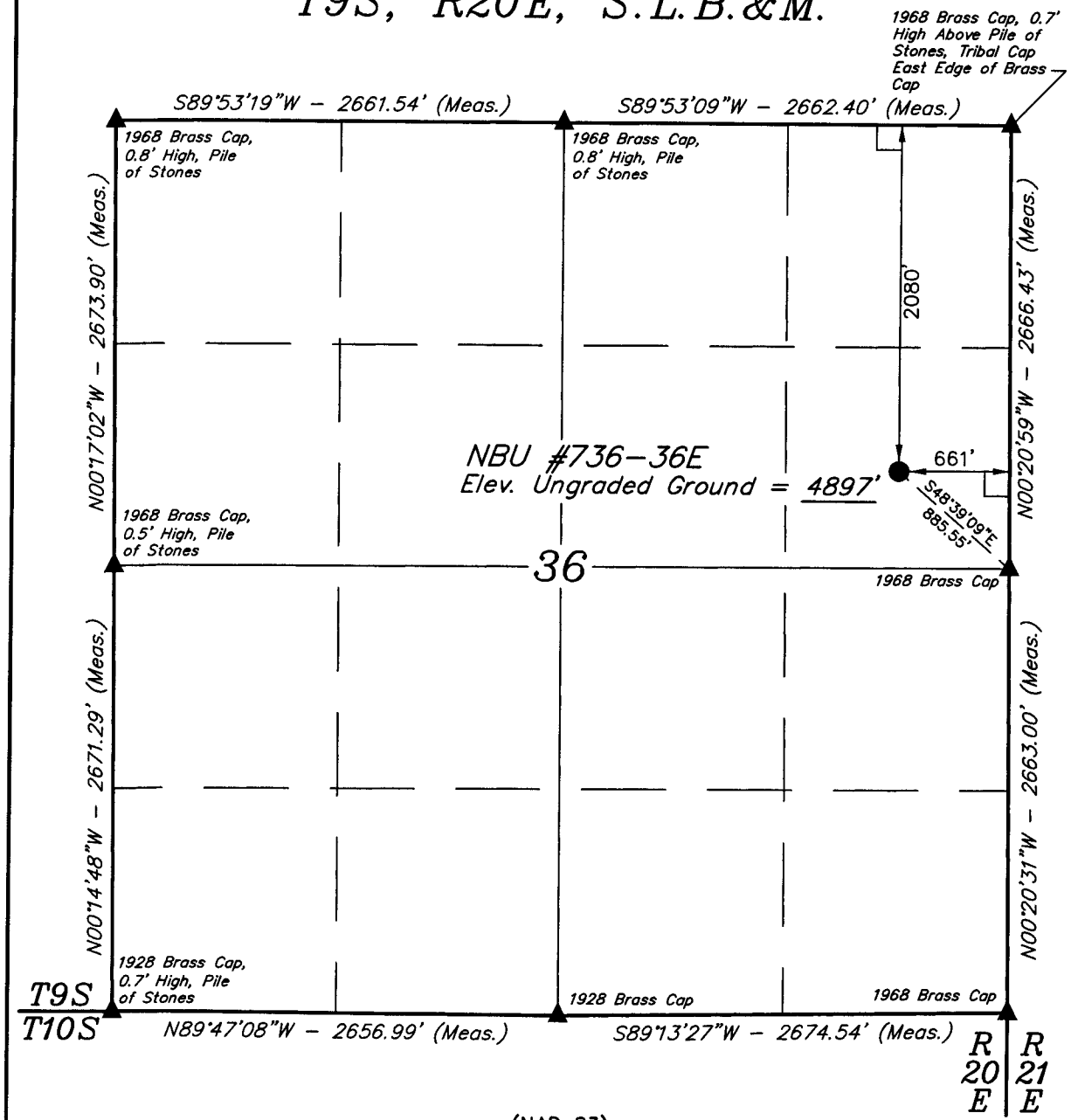
Permit Manager

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Cond	17.5	13.375	0	60		
Pipe	**Grade**	**Length**	**Weight**			
	Grade H-40 ST&C	60	48.0			
	Cement Interval	**Top (MD)**	**Bottom (MD)**			
		0	60			
		Cement Description	**Class**	**Sacks**	**Yield**	**Weight**
			Class C Cement	0	0.0	0.0

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Surf	12.25	9.625	0	2300		
Pipe	**Grade**	**Length**	**Weight**			
	Grade J-55 ST&C	2300	36.0			
	Cement Interval	**Top (MD)**	**Bottom (MD)**			
		0	2300			
		Cement Description	**Class**	**Sacks**	**Yield**	**Weight**
			Class G Cement	185	3.82	11.0

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Prod	7.875	4.5	0	7025		
Pipe	**Grade**	**Length**	**Weight**			
	Grade N-80 LT&C	7025	11.6			
	Cement Interval	**Top (MD)**	**Bottom (MD)**			
		2300	7025			
		Cement Description	**Class**	**Sacks**	**Yield**	**Weight**
			Hi Lift "G"	150	3.91	11.0
			50/50 Poz	439	1.28	14.1

T9S, R20E, S.L.B.&M.



EOG RESOURCES, INC.

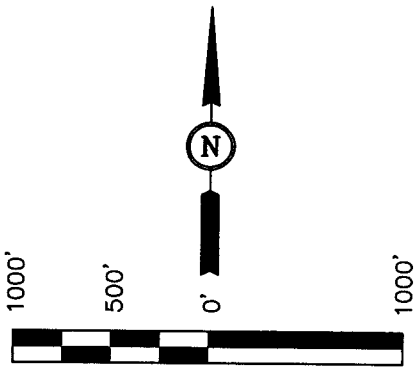
Well location, NBU 736-36E, located as shown in the SE 1/4 NE 1/4 of Section 36, T9S, R20E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

- └ = 90° SYMBOL
- ● = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 39°59'35.13" (39.993092)
LONGITUDE = 109°36'26.41" (109.607336)
(NAD 27)
LATITUDE = 39°59'35.26" (39.993128)
LONGITUDE = 109°36'23.92" (109.606644)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	03-19-08	03-24-08
PARTY: D.S. E.D. C.P.	REFERENCES: G.L.O. PLAT	
WEATHER: COLD	FILE: EOG RESOURCES, INC.	

API Well No: 43047500630000

EIGHT POINT PLAN

NATURAL BUTTES UNIT 736-36E
SE/NE, SEC. 36, T9S, R20E, S.L.B.&M..
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	TVD-RKB (ft)	Objective	Lithology	
Green River	1,573		Shale	
Mahogany Oil Shale Bed	2,317		Shale	
Wasatch	4,993	Primary	Sandstone	Gas
Chapita Wells	5,656	Primary	Sandstone	Gas
Buck Canyon	6,343	Primary	Sandstone	Gas
North Horn	6,908	Primary	Sandstone	Gas
TD	7,025			

Estimated TD: **7,025' or 200'± below TD** **Anticipated BHP: 3,836 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	17 ½"	0 – 60'	13 ⅜"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 ¼"	0' – 2,300' KB±	9-⅝"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	233,000#

Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 736-36E
SE/NE, SEC. 36, T9S, R20E, S.L.B.&M..
UINTAH COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

1. VARIANCE REQUESTS:

Reference: **Onshore Oil and Gas Order No. 1**
Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).

EIGHT POINT PLAN

NATURAL BUTTES UNIT 736-36E
SE/NE, SEC. 36, T9S, R20E, S.L.B.&M..
UINTAH COUNTY, UTAH

- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.

- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.

- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).

- EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD.
Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following: **Cement Bond / Casing Collar Locator and Pulsed Neutron**

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: **185 sks** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCI_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft^3/sk. yield, 23 gps water.

Tail: **207 sks** Class "G" cement with 2% $CaCI_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% $CaCI_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to 500'above the casing shoe.

Production Hole Procedure (2300'± - TD)

Lead: **150 sks:** Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt),0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft^3/sk., 24.5 gps water.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 736-36E
SE/NE, SEC. 36, T9S, R20E, S.L.B.&M..
UINTAH COUNTY, UTAH

Tail: **439 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft^3/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):
Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

11. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold
B. Upper and Lower Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

13. Air Drilling Operations:

1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.

2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 736-36E
SE/NE, SEC. 36, T9S, R20E, S.L.B.&M..
UINTAH COUNTY, UTAH

3. Minimum setting depth of conductor casing will be 60’ GL or 10’± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.

4. The diameter of the diverter flow line will be a minimum of 10” to help reduce back pressure on the well bore during uncontrolled flow.

5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.

6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

(Attachment: BOP Schematic Diagram)

EOG RESOURCES, INC.

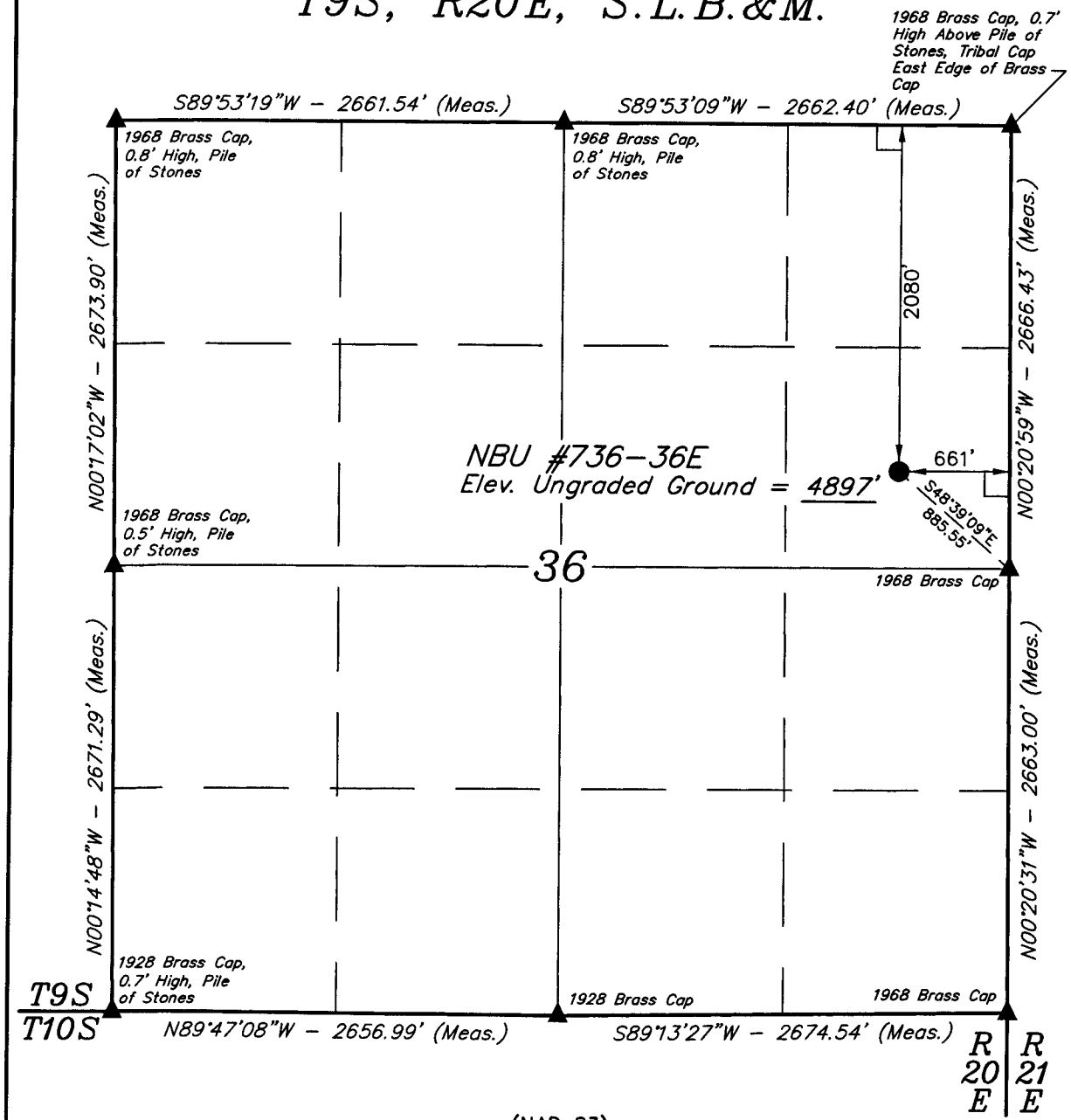
NBU #736-36E

SECTION 36, T9S, R20E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 6.9 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 2.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 140' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 41.2 MILES.

T9S, R20E, S.L.B.&M.



EOG RESOURCES, INC.

Well location, NBU 736-36E, located as shown in the SE 1/4 NE 1/4 of Section 36, T9S, R20E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

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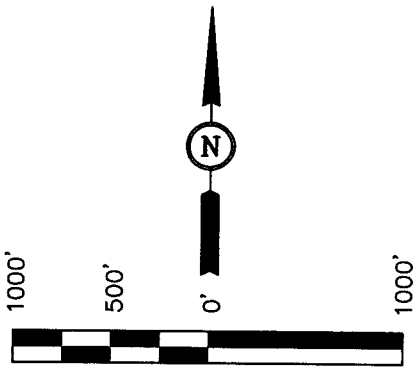

SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

- └ = 90° SYMBOL
- ● = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 39°59'35.13" (39.993092)
LONGITUDE = 109°36'26.41" (109.607336)
(NAD 27)
LATITUDE = 39°59'35.26" (39.993128)
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UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	03-19-08	03-24-08
PARTY: D.S. E.D. C.P.	REFERENCES: G.L.O. PLAT	
WEATHER: COLD	FILE: EOG RESOURCES, INC.	

API Well No: 43047500630000

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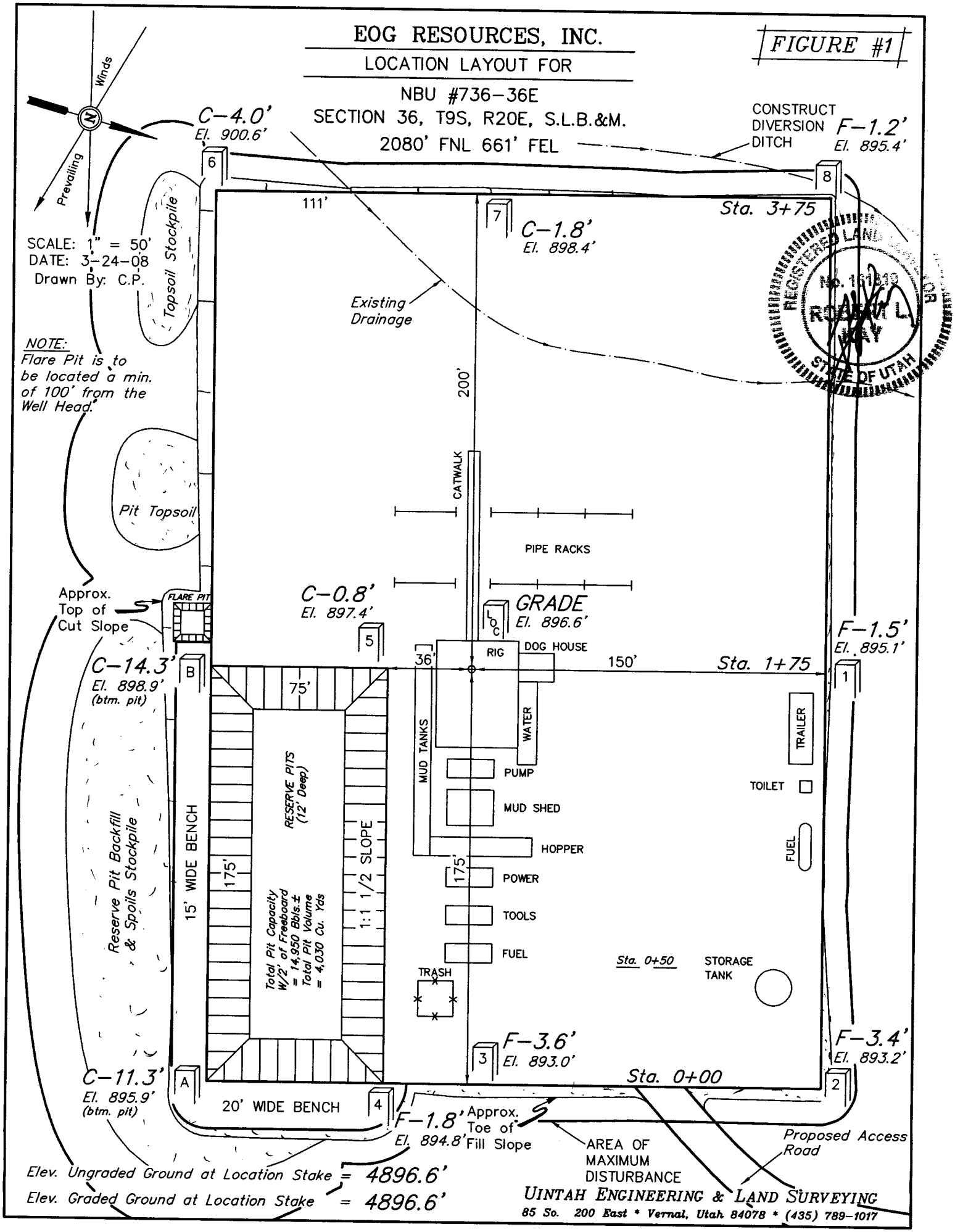


API Well No: 43047500630000

EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

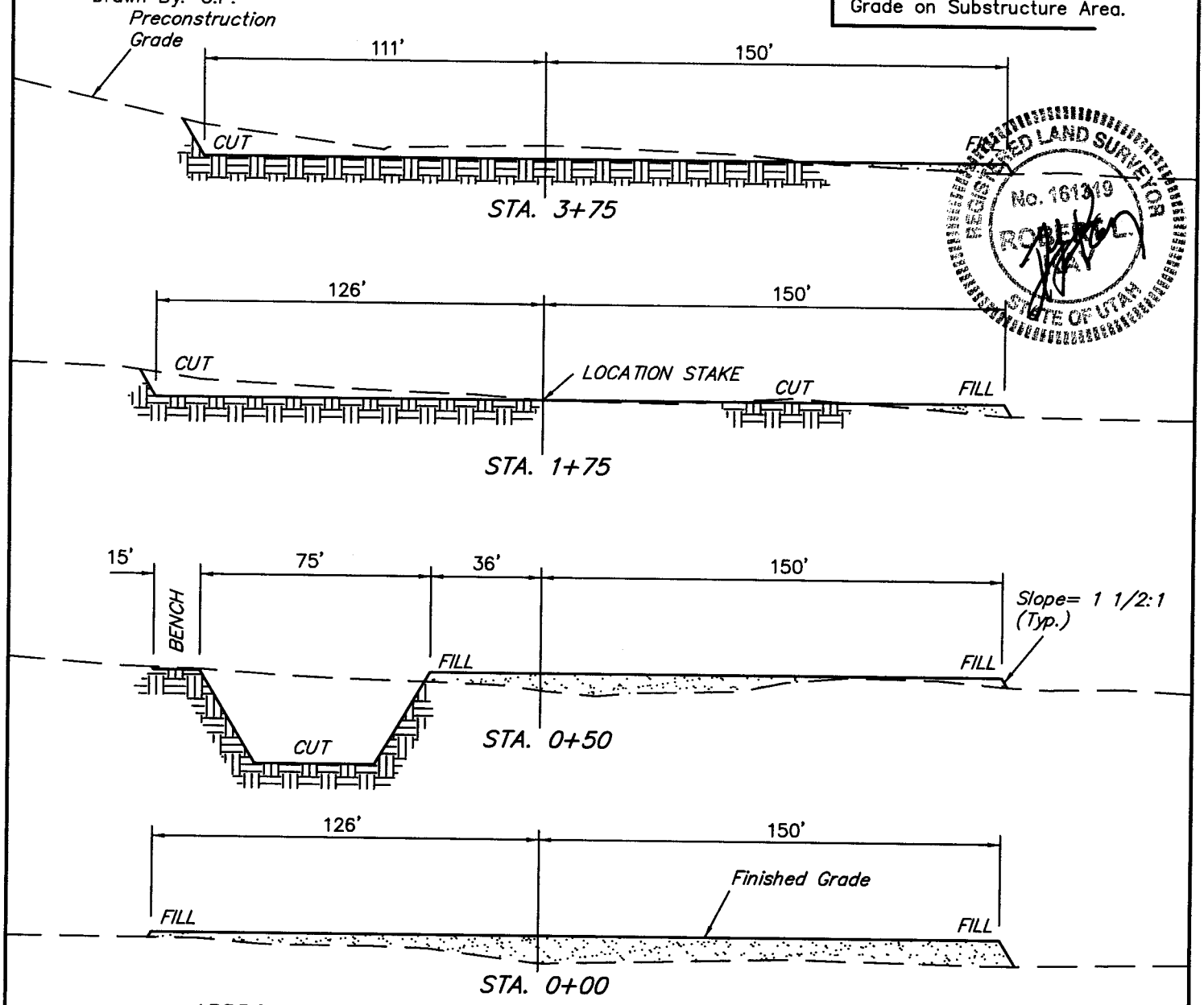
NBU #736-36E
SECTION 36, T9S, R20E, S.L.B.&M.
2080' FNL 661' FEL

FIGURE #2

1" = 20' X-Section Scale
1" = 50'
DATE: 3-24-08
Drawn By: C.P.

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.



APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ± 2.760 ACRES
ACCESS ROAD DISTURBANCE = ± 0.098 ACRES
PIPELINE DISTURBANCE = ± 1.756 ACRES
TOTAL = ± 4.614 ACRES

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 2,030 Cu. Yds.
Remaining Location = 5,220 Cu. Yds.

TOTAL CUT = 7,250 CU. YDS.
FILL = 3,200 CU. YDS.

EXCESS MATERIAL = 4,050 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 4,50 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation) = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

API Well No: 43047500630000

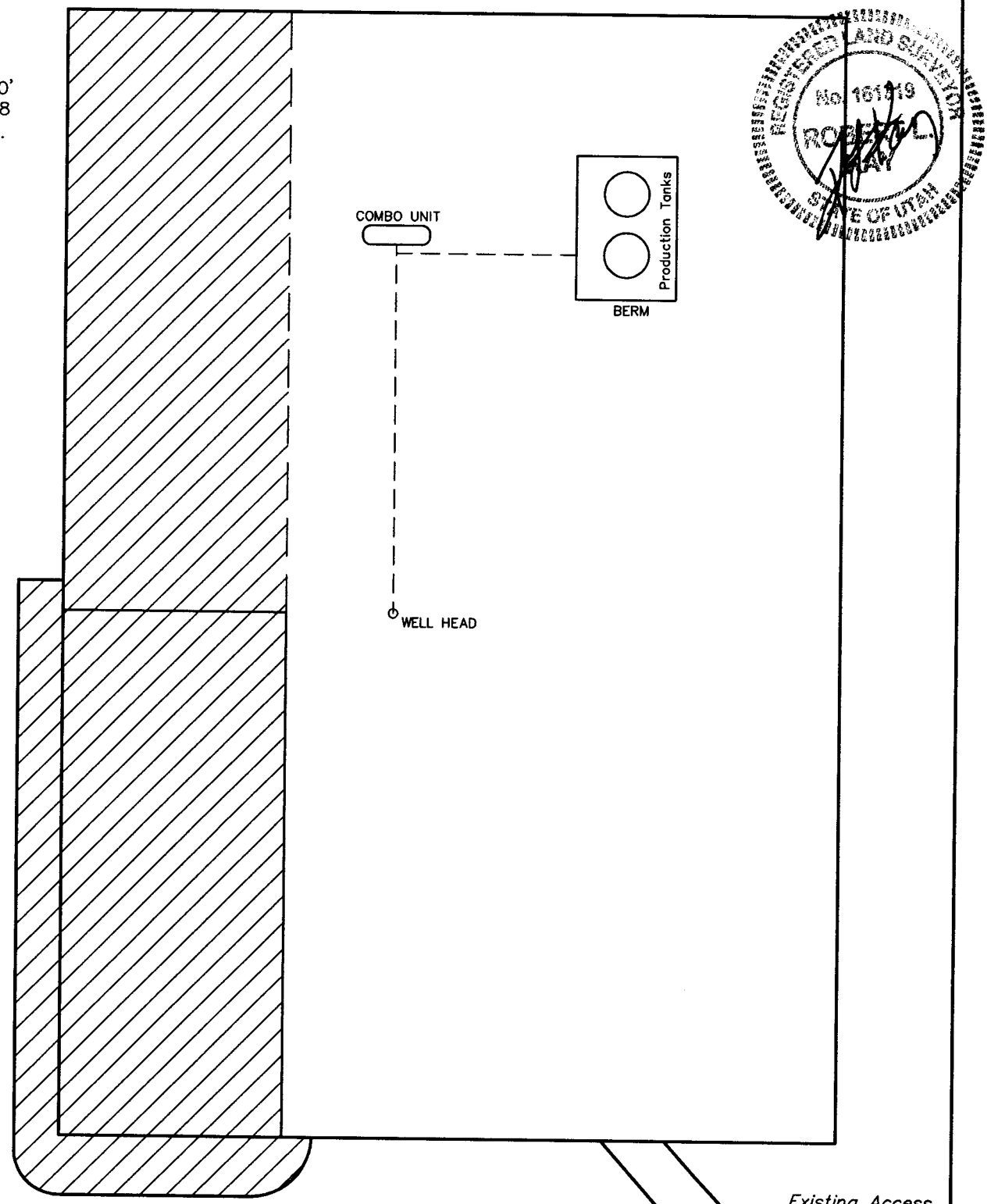
EOG RESOURCES, INC.

PRODUCTION FACILITY LAYOUT FOR

NBU #736-36E
SECTION 36, T9S, R20E, S.L.B.&M.
2080' FNL 661' FEL

FIGURE #3

SCALE: 1" = 50'
DATE: 3-24-08
Drawn By: C.P.



REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

EOG RESOURCES, INC.

NBU #736-36E

LOCATED IN UINTAH COUNTY, UTAH
SECTION 36, T9S, R20E, S.L.B.&M.

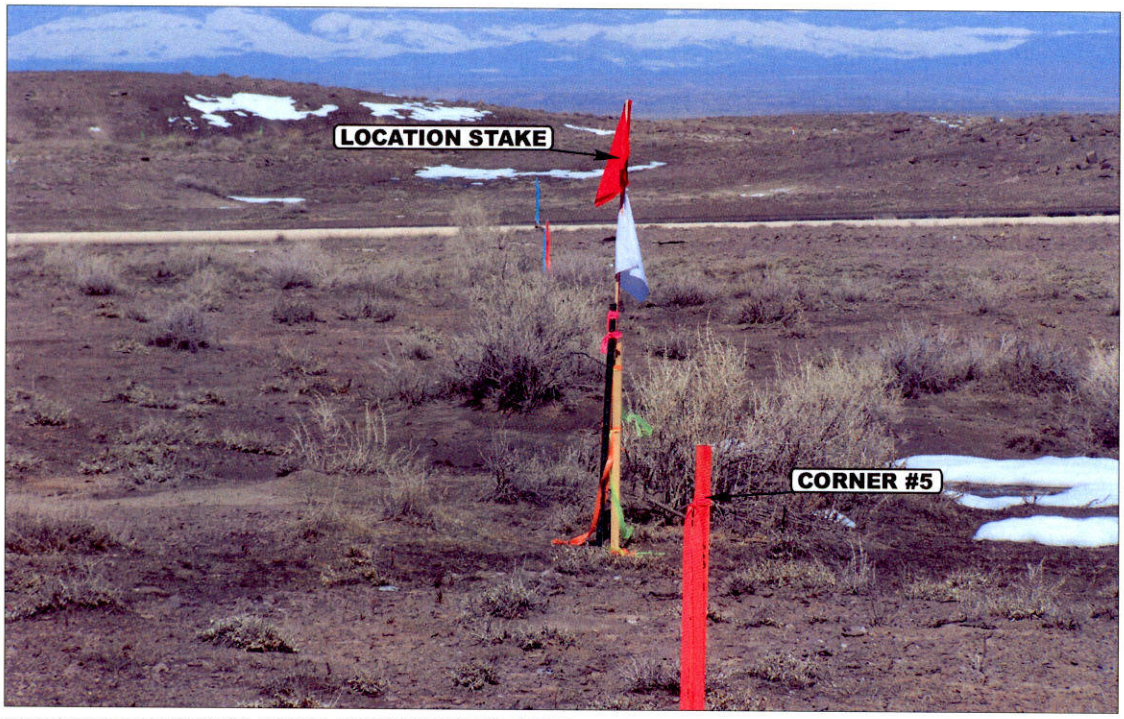


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: NORTHWESTERLY**

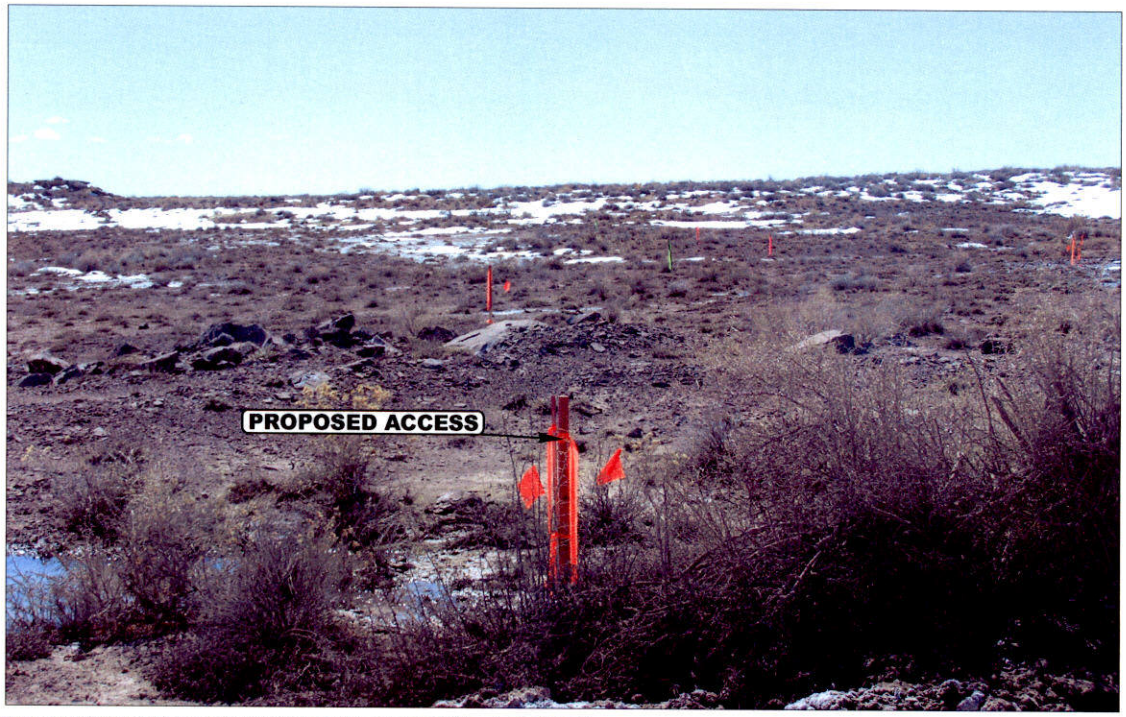
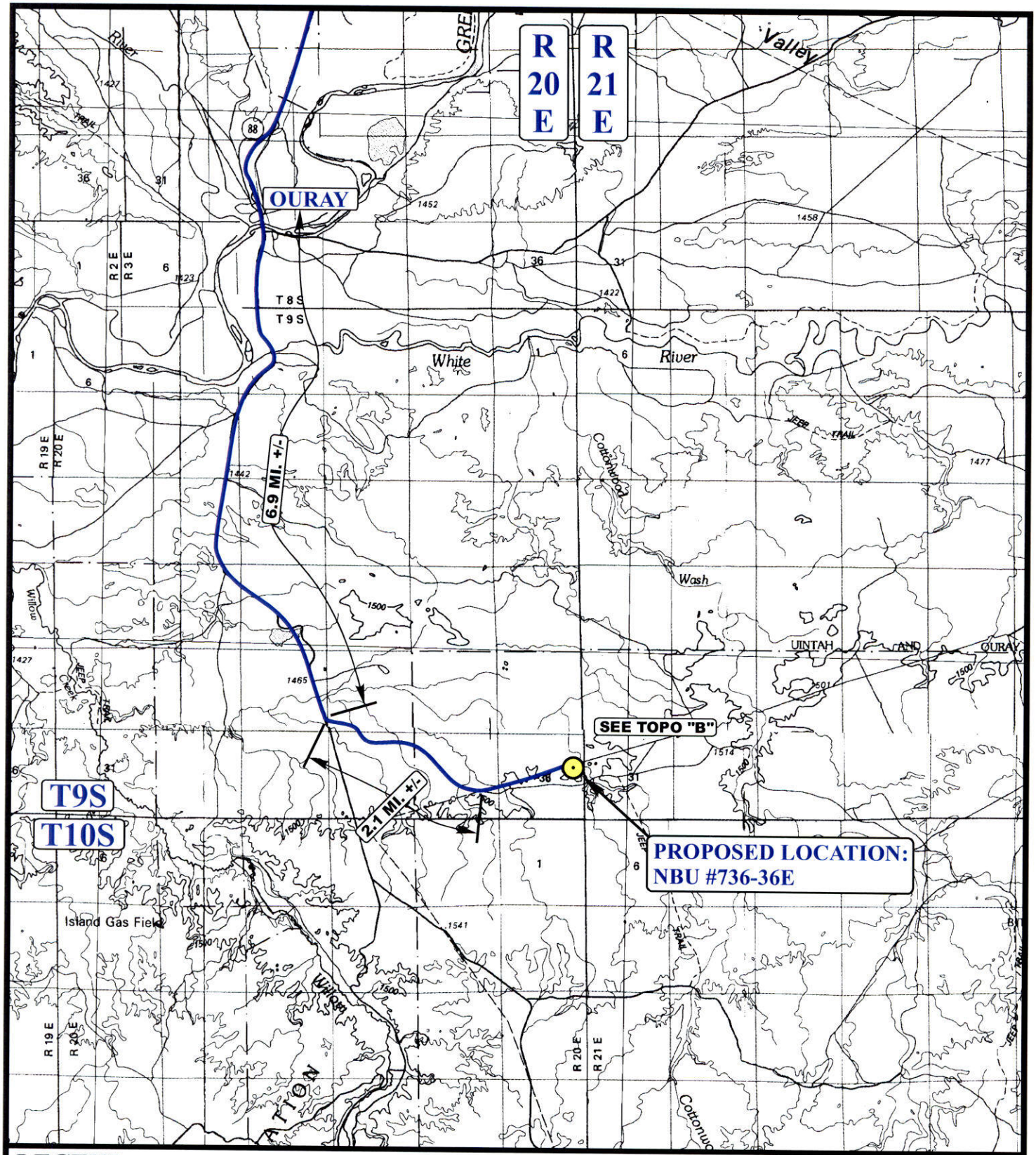


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: SOUTHWESTERLY**

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	03 MONTH	24 DAY	08 YEAR	PHOTO
TAKEN BY: D.S.	DRAWN BY: C.P.	REVISED: 00-00-00		

API Well No: 43047500630000



LEGEND:

PROPOSED LOCATION

N

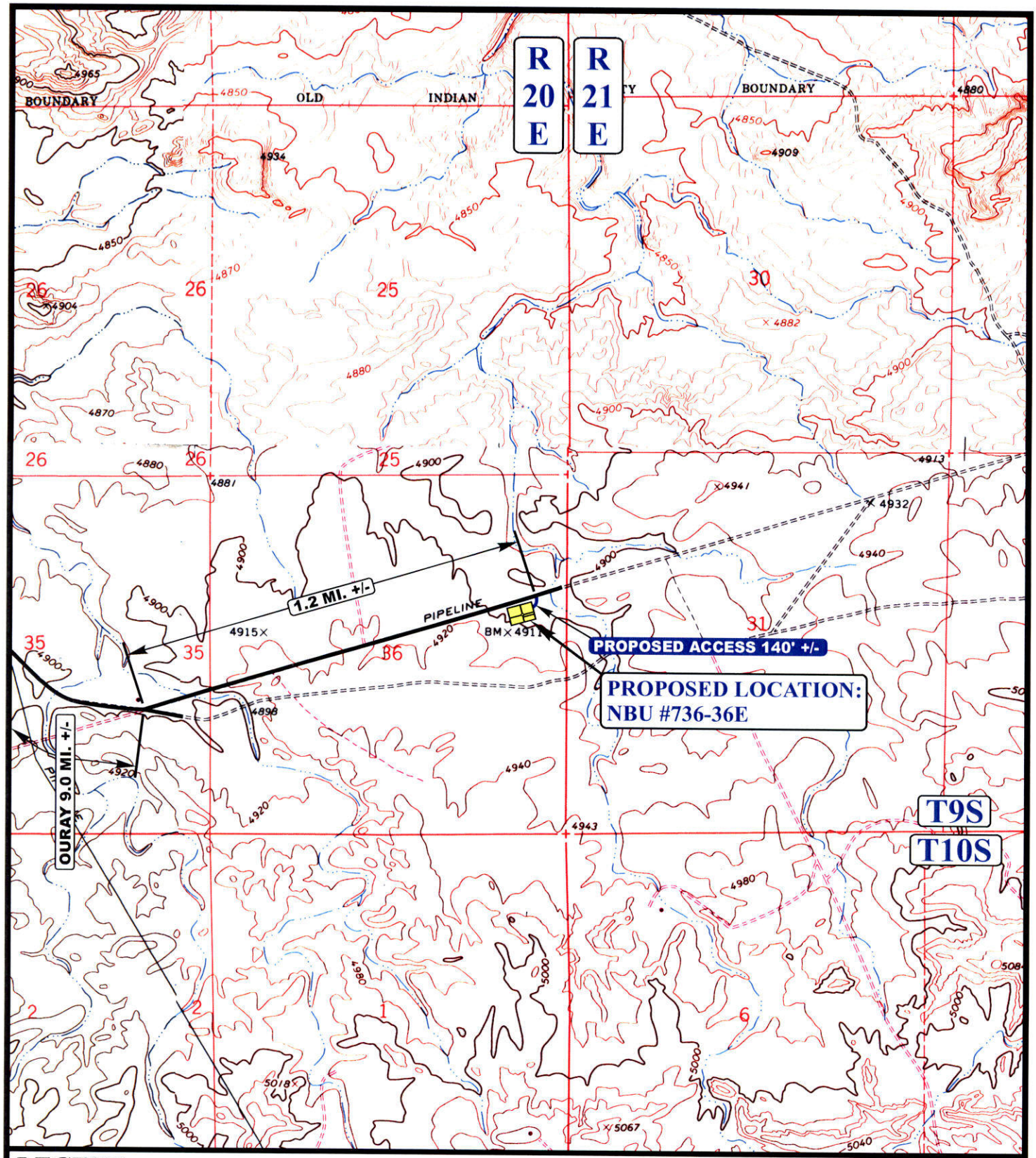
EOG RESOURCES, INC.

NBU #736-36E
SECTION 36, T9S, R20E, S.L.B.&M.
2080' FNL 661' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	03 MONTH	24 DAY	08 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: C.P.	REVISED: 00-00-00		

API Well No: 43047500630000



LEGEND:

EXISTING ROAD

PROPOSED ACCESS ROAD

N

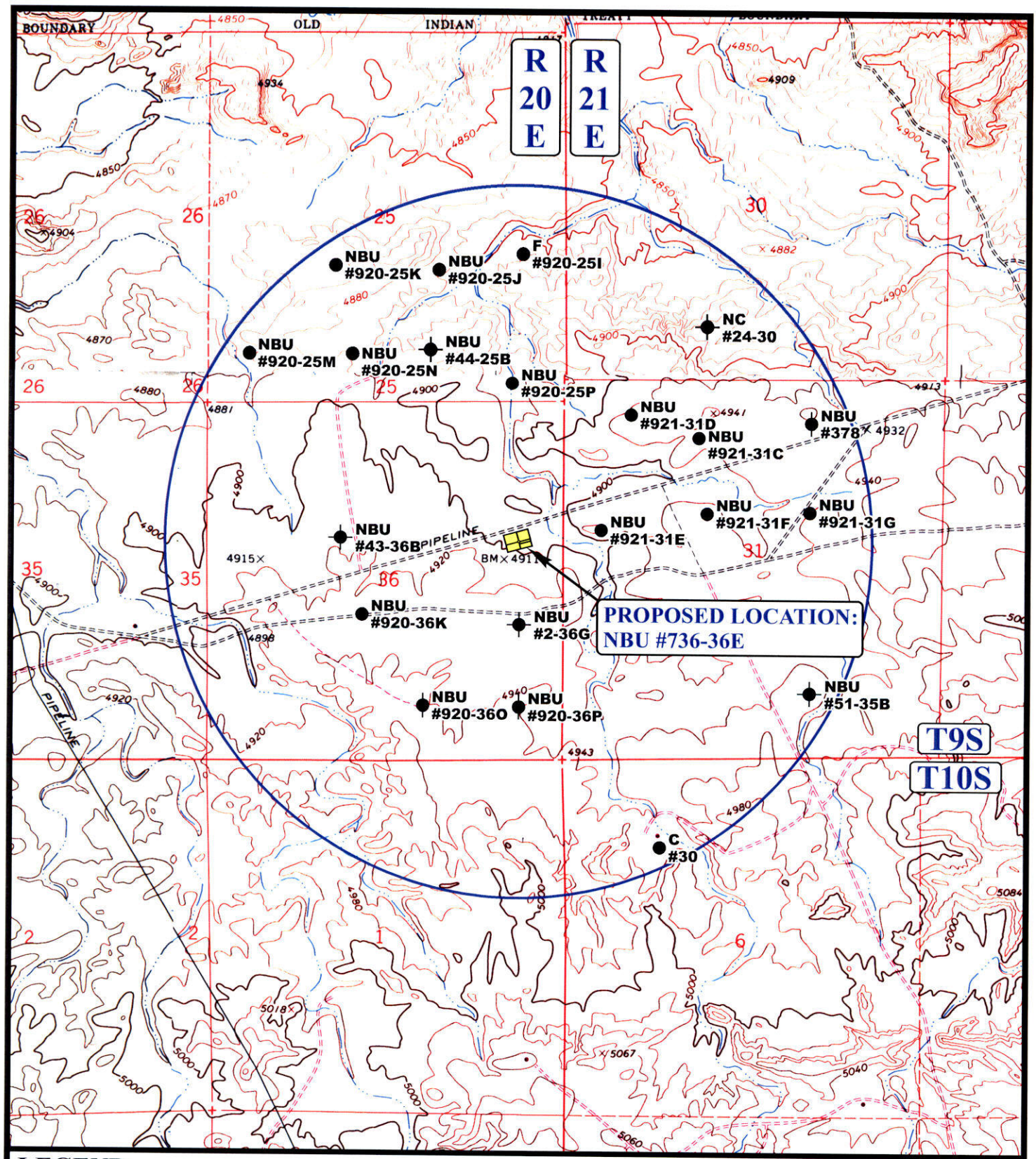
EOG RESOURCES, INC.

NBU #736-36E
SECTION 36, T9S, R20E, S.L.B.&M.
2080' FNL 661' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	03 MONTH	24 DAY	08 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: C.P.	REVISED: 00-00-00		

API Well No: 43047500630000



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

EOG RESOURCES, INC.

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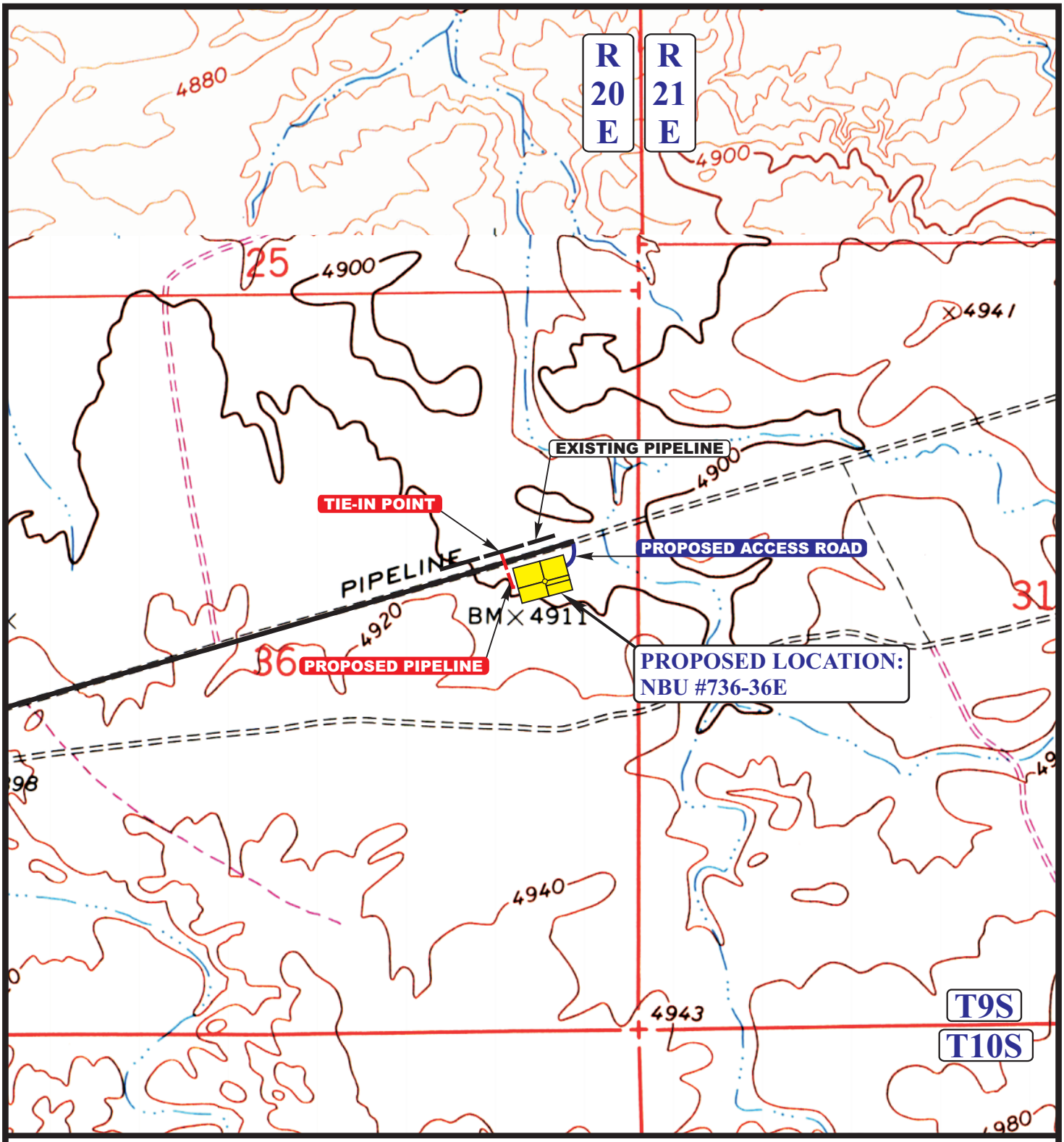

APPROXIMATE TOTAL PIPELINE DISTANCE = 323' +/-

LEGEND:

PROPOSED ACCESS ROAD
EXISTING PIPELINE
PROPOSED PIPELINE

N

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TOPOGRAPHIC MAP	03 MONTH	24 DAY	08 YEAR	D TOPO
SCALE: 1" = 1000'	DRAWN BY: C.P.	REVISED: 04-25-08D.P		

Natural Buttes Unit 736-36E
SENE Section 36, T9S, R20E
Uintah County, Utah

SURFACE USE PLAN

1. EXISTING ROADS:

A. See attached Plats showing directional reference stakes on location, and attached TOPO Map “B” showing access to location from existing roads.

B. The proposed well site is located approximately 41.2 miles south of Vernal, Utah – See attached TOPO Map “A”.

C. Refer to attached Topographic Map “A” showing labeled access route to location.

D. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

A. An existing access road will be used to access the location. See attached Topo B.

B. The access road has a 40-foot ROW w/18 foot running surface.

C. No turnouts will be required.

D. The access road will be dirt surface.

E. No gates, cattleguards, or fences will be required or encountered.

F. A 40-foot permanent right-of-way is requested. No surfacing material will used.

G. No additional storage areas will be needed for storing equipment, stockpiling, or vehicle parking.

All travel will be confined to existing access road rights-of-way.

New or reconstructed roads will be centerlined – flagged at time of location staking.
The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 40 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing

nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around then avoided.

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

Traveling off the 40 foot right-of-way will not be allowed. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS:

See attached TOPO map "C" for the location of wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

A. On Well Pad

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400-bbl vertical tanks and attaching piping.

2. Gas gathering lines – A 4" gathering line will be buried from dehy to the edge of the location.

B. Off Well Pad

1. Proposed pipeline will transport natural gas.

2. The pipeline will be a permanent feeder line.

3. The length of the proposed pipeline is 323' x 40'. The proposed pipeline leaves the western edge of the proposed location proceeding in a northerly direction for an approximate distance of 323' tieing into an existing pipeline in the SENE of Section 36, T9S, R20E. Pipe will be 4" NOM, 0.156 wall, Grade X42, Zap-Lock, electric weld with a 35 mil X-Tru coating.

4. Proposed pipeline will be a 4" OD steel, zap-lok line laid on the surface

5. Proposed pipeline will be laid on surface.

6. Pipeline will be coupled using the Zap lock method. No additional off-pad facilities will be required.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **All facilities will be painted with Carlsbad Canyon.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water supply will be from Ouray Bonanza Power Plant water source in Sec 26, T8S, R23E Uintah County, UT (State Water Right # 49-225(A31368)). Water will be hauled by a licensed trucking company.

B. Water will be hauled by a licensed trucking company.

C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. All construction material for this pipeline will be of native borrow and soil accumulated during the construction of the location.

B. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. METHODS AND LOCATION

1. Cuttings will be confined in the reserve pit.

2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.

3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.

4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, CWU 550-30N SWD, CWU 2-29 SWD, Red Wash Evaporation Ponds, 1, 2, 3, 4, 5, and/or 6, Coyote Ponds 1, 2, 3, and/or 4, or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.

B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or by removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt and a 16 millimeter plastic liner. Sufficient bedding (i.e. weed free straw, or hay; felt; polyswell or soil) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing or completion of the well.

8. ANCILLARY FACILITIES:

None anticipated.

9. WELL SITE LAYOUT:

A. Refer to attached well site plat for related topography cuts and fills and cross sections.
B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.

C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the south corner of the location. The flare pit will be located downwind of the prevailing wind direction on the south side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled pit topsoil (first six inches) will be stored separate from the location topsoil. The stockpiled location topsoil will be stored in a location providing easy access for interim reclamation and protection of the topsoil. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpiller tractor.

Access to the well pad will be from the east.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)

B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.

D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.

E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently counted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. *Interim Reclamation (Producing Location)*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours – See attached Figure #3. The reserve pit will be reclaimed within 90 days from the date of the well completion, or as soon as environmental conditions allow. Before any dirt takes place, the reserve pit must be completely dry and free of all foreign obstacles.

The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

B. Dry Hole/Abandoned Location

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriated surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP:

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

State of Utah

12. OTHER INFORMATION:

A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;

- The mitigation measures the operator will likely have to undertake before the site can be used.

- A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application or herbicides or other pesticides or possible hazardous chemicals.

C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

D. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved “Application for Permit to Drill” will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.

If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied, as needed, to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

A cultural resources survey was conducted and submitted May 22, 2008 by Montgomery Archeological Consultants, report # MOAC 08-095. A paleontological survey was conducted and submitted June 10, 2008 by Intermountain Paleo Consultants, report # IPC 08-78.

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT
Kaylene R. Gardner
EOG Resources, Inc.
P.O. Box 1815
Vernal, Ut 84078
(435) 781-9111

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

CERTIFICATION:

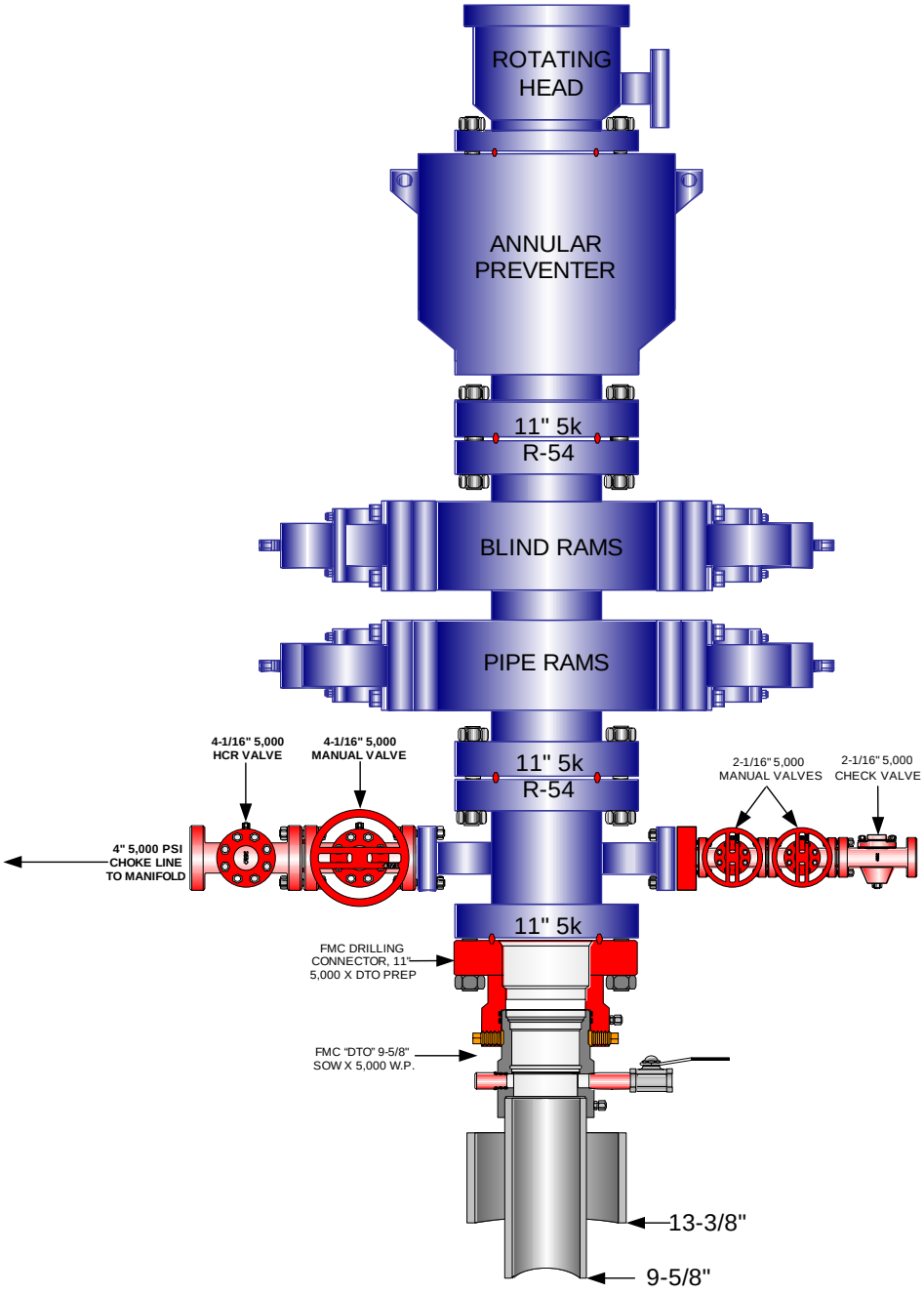
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Chapita Natural Buttes Unit 736-36E Well, located in the SENE, of Section 36, T9S, R20E, Uintah County, Utah; State land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

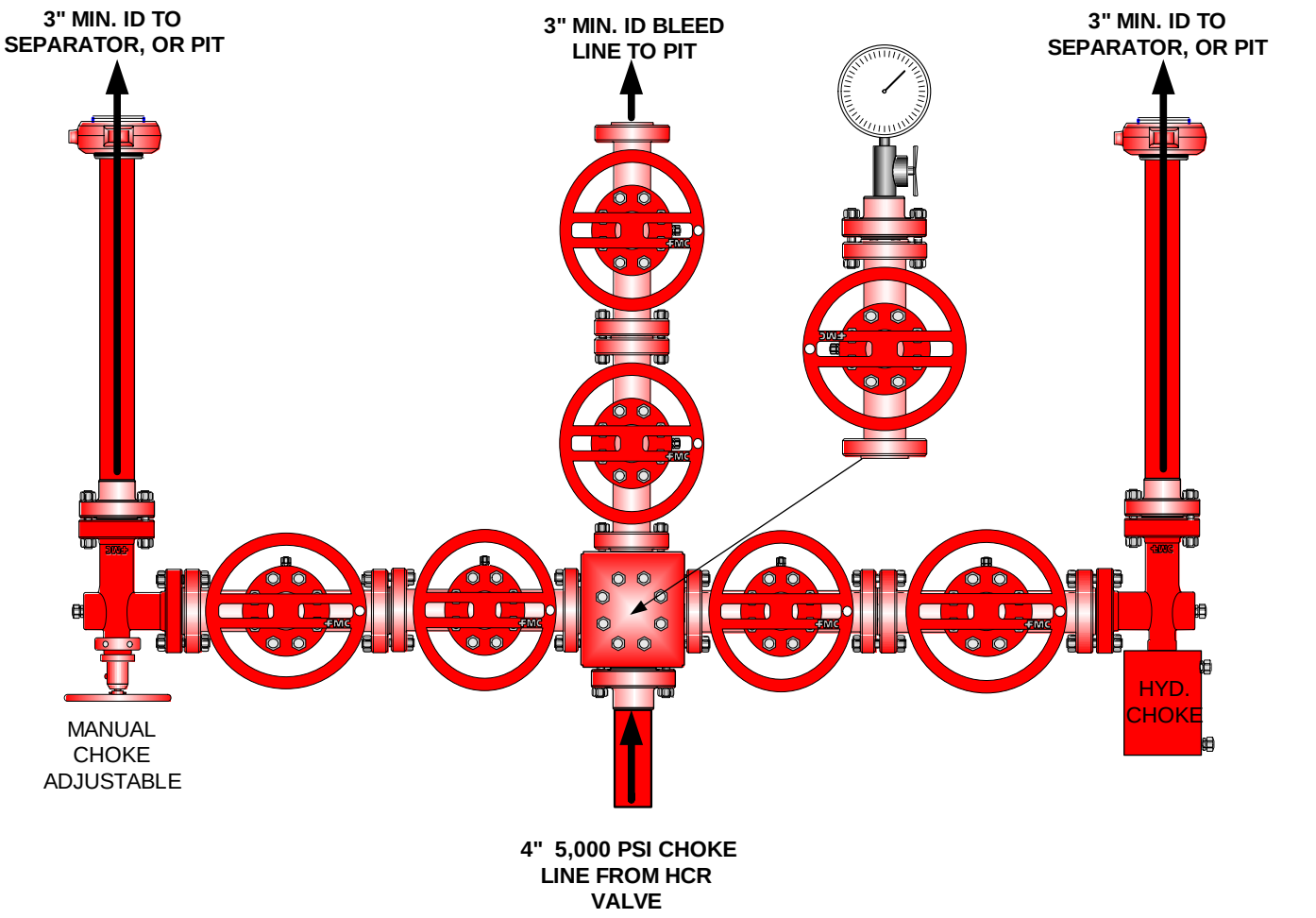
June 24, 2008 _____
Date

Kaylene R. Gardner, Lead Regulatory Assistant

EOG RESOURCES 11" 5,000 PSI W.P. BOP CONFIGURATION



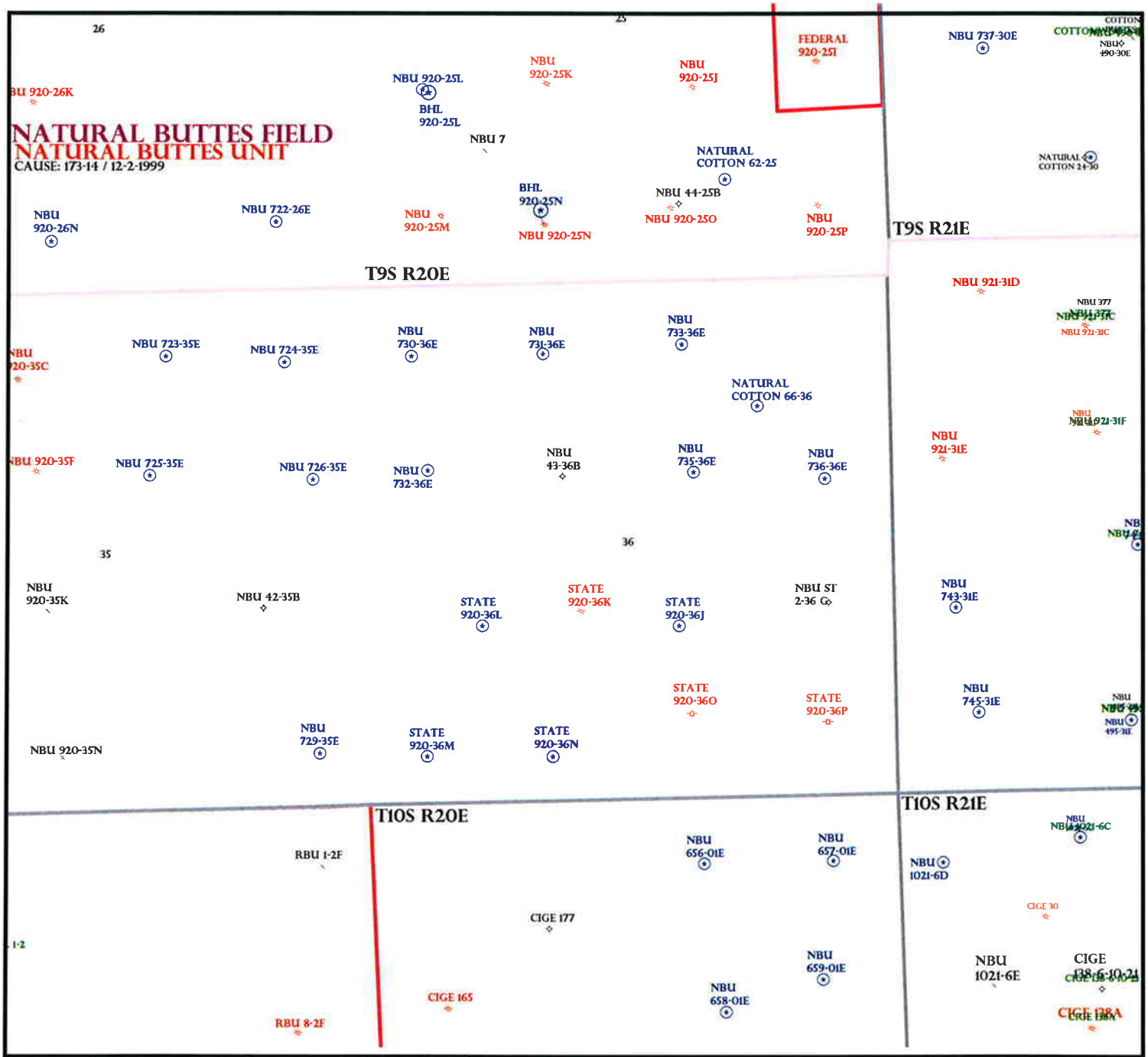
EOG RESOURCES CHOKE MANIFOLD CONFIGURATION
W/ 5,000 PSI WP VALVES



Testing Procedure:

1. BOP will be tested with a professional tester to conform to Onshore Order #2.
2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
3. Annular Preventer will be tested to 50% working pressure, 2,500 psi.
   Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.

API Well No: 43047500630000



OPERATOR: EOG RESOURCES INC (N9550)

SEC: 36 T.9S R. 20E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

UTAH DNR
OIL, GAS & MINING

N
W E
S

PREPARED BY: DIANA MASON
DATE: 14-JULY-2008

Application for Permit to Drill
Statement of Basis

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
837	43-047-50063-00-00	SITLA	GW	S	No

Operator EOG RESOURCES, INC. **Surface Owner-APD**
Well Name NBU 736-36E **Unit** NATURAL BUTTES
Field NATURAL BUTTES **Type of Work** DRILL
Location SENE 36 9S 20E S 2080 FNL 661 FEL GPS Coord (UTM) 618955E 4427712N

Geologic Statement of Basis

EOG proposes to set 2,300’ of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,700'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of section 36 . The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought to above the base of the moderately saline groundwater in order to isolate it from fresher waters uphole The proposed casing and cement program should adequately protect usable ground water in the area.

Brad Hill 8/12/2008
APD Evaluator **Date / Time**

Surface Statement of Basis

This location is in the Natural Buttes Unit approximately 11 miles southeast of Ouray, Ut.. It is accessed by the Seep Ridge Road to the Uintah County Middle Road then by existing or planned oil field development roads to within 142 feet of the site, which will require new construction.

The general area is in the head of a long unnamed wash immediately west of Cottonwood Wash. Both washes enter the White River in the same general area, approximately six miles below the site. The area is characterized by rolling hills, which are frequently divided by somewhat gentle draws which drain northerly. This unnamed wash is an ephemeral drainage. No springs, seeps or streams exist in the area. An occasional pond constructed to supply water for cattle and antelope exists. The washes are sometimes rimed with steep side hills, which have exposed sand stone bedrock cliffs along the rims.

The proposed NBU 736-36E gas well location is oriented in an east-west direction and lies longitudinally along a gentle slope leading away from a rise on the south. To construct the pad fill will be moved to the north. A shallow drainage intersects the west portion of the location and is planned for diversion to the north to miss the pad. Exposed sandstone bedrock exists immediately south of the location. The selected site poses no significant surface problems and should be a suitable location for constructing a pad, drilling and operating a well.

Both the surface and minerals are owned by SITLA. Jim Davis of SITLA attended the pre-site visit and had no concerns regarding the proposal.

Ben Williams of the Utah Division of Wildlife Resources was invited to the pre-site visit. He did not attend.

SITLA is to be contacted for site restoration requirements including the seed mix to be used in revegetation.

Floyd Bartlett 7/22/2008
Onsite Evaluator **Date / Time**

Application for Permit to Drill
Statement of Basis

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator EOG RESOURCES, INC.
Well Name NBU 736-36E
API Number 43-047-50063-0 **APD No** 837 **Field/Unit** NATURAL BUTTES
Location: 1/4,1/4 SENE **Sec** 36 **Tw** 9S **Rng** 20E 2080 FNL 661 FEL
GPS Coord (UTM) 618955 4427716 **Surface Owner**

Participants

Floyd Bartlett (DOGM), Jim Davis (SITLA), Byron Tolman (Agent for EOG)

Regional/Local Setting & Topography

This location is in the Natural Buttes Unit approximately 11 miles southeast of Ouray, Ut.. It is accessed by the Seep Ridge Road to the Uintah County Middle Road then by existing or planned oil field development roads to within 142 feet of the site, which will require new construction.

The general area is in the head of a long unnamed wash immediately west of Cottonwood Wash. Both washes enter the White River in the same general area, approximately six miles below the site. The area is characterized by rolling hills, which are frequently divided by somewhat gentle draws which drain northerly. This unnamed wash is an ephemeral drainage. No springs, seeps or streams exist in the area. An occasional pond constructed to supply water for cattle and antelope exists. The washes are sometimes rimed with steep side hills, which have exposed sand stone bedrock cliffs along the rims.

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Both the surface and minerals are owned by SITLA.

Surface Use Plan

Current Surface Use

Grazing
Wildlfe Habitat
Recreational

New Road Miles	Well Pad		Src Const Material	Surface Formation
0.03	**Width** 276	**Length** 375	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

The area has a poor cover of vegetation. Principal species present are greasewood, shadscale, horsebrush, cheatgrass, halogeton, globe mallow, Spiny hopsage, Indian ricegrass, pepperweed, prickly pear and wild onions.

Cattle, antelope and small mammals and birds.

Soil Type and Characteristics

Soils are a moderately deep sandy loam.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required Y

A shallow drainage intersects the west portion of the location and is planned for diversion to the north to miss the pad

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run?	Paleo Potental Observed?	Cultural Survey Run?	Cultural Resources?

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	300 to 1320	10
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
	Final Score	25 1 **Sensitivity Level**

Characteristics / Requirements

The reserve pit is planned in an area of cut in the southeast corner of the location. Dimensions are 75’ x 175’ x 12’ deep with 2’ of freeboard and a 15 or 20 foot exterior bench. A liner with a minimum thickness of 16 mils. and a felt sub-liner are required.

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 16 **Pit Underlayment Required?** Y

Other Observations / Comments

ATV's were used to access the location.

Floyd Bartlett	7/22/2008
Evaluator	**Date / Time**

From: Jim Davis
To: Bonner, Ed; kaylene gardner; Mason, Diana
Date: 8/25/2008 10:52 AM
Subject: SITLA clearance of EOG wells

The following wells have been approved by SITLA including Arch and Paleo clearance. Spot monitoring for paleo resources is required at each of these locations. Formal notice of the paleo requirement has been sent to EOG previously.

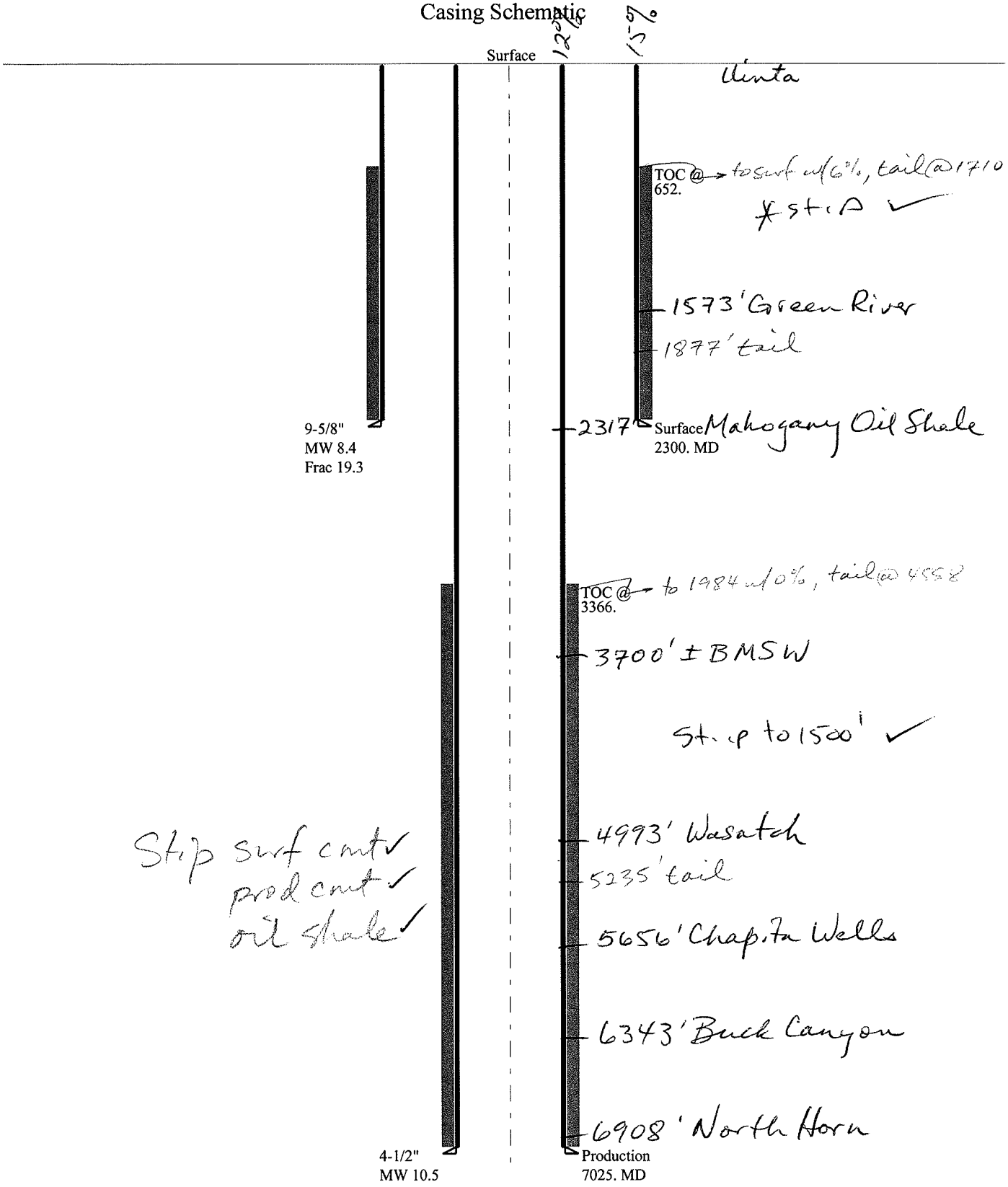
4304750065 S	NBU 734-36E UINTAH	EOG Resources	630	Natural Buttes	NENE	36	090S	200E
4304750041 S	NBU 745-31E UINTAH	EOG Resources	630	Natural Buttes	SWSW	31	090S	210E
4304750063 S	NBU 736-36E UINTAH	EOG Resources	630	Natural Buttes	SENE	36	090S	200E
4304750060 S	NBU 732-36E UINTAH	EOG Resources	630	Natural Buttes	SWNW	36	090S	200E
4304750061 S	NBU 730-36E UINTAH	EOG Resources	630	Natural Buttes	NWNW	36	090S	200E

-Jim

Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov
Phone: (801) 538-5156

43047500630000 NBU 736-36E

Casing Schematic



Well name:	**43047500630000 NBU 736-36E**
Operator:	**EOG Resources, Inc.**
String type:	Surface
Project ID:	43-047-50063-0000
Location:	Uintah County

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 2,024 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,300 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 2,014 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 97 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 185 ft

Cement top: 652 ft

Non-directional string.

Re subsequent strings:
Next setting depth: 7,025 ft
Next mud weight: 10.500 ppg
Next setting BHP: 3,832 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,300 ft
Injection pressure: 2,300 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2300	9.625	36.00	J-55	LT&C	2300	2300	8.796	998.3

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1004	2020	2.013	2300	3520	1.53	83	453	5.47 J

Prepared by: Helen Sadik-Macdonald, Div of Oil,Gas & Minerals
Phone: 810-538-5357
Date: August 20,2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 2300 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**43047500630000 NBU 736-36E**
Operator:	**EOG Resources, Inc.**
String type:	Production
Project ID:	43-047-50063-0000
Location:	Uintah County

Design parameters:

Collapse
Mud weight: 10.500 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 2,286 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 3,832 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 5,922 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 163 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 3,366 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	7025	4.5	11.60	N-80	LT&C	7025	7025	3.875	613

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3832	6350	1.657	3832	7780	2.03	81	223	2.74 J

Prepared by: Helen Sadik-Macdonald, Div of Oil,Gas & Minerals
Phone: 810-538-5357
Date: August 20,2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 7025 ft, a mud weight of 10.5 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

API Well No: 43047500630000

BOPE REVIEW — EOG NBU 736-36E API 43-047-50063-0000

INPUT

Well Name	EOG NBU 736-36E API 43-047-50063-0000			
	String 1	String 2		
Casing Size (")	9 5/8	4 1/2		
Setting Depth (TVD)	2300	7025		
Previous Shoe Setting Depth (TVD)	60	2300		
Max Mud Weight (ppg)	8.4	10.5	✓	
BOPE Proposed (psi)	500	5000		
Casing Internal Yield (psi)	3520	7780		
Operators Max Anticipated Pressure (psi)	3836	10.5 ppg	✓	

Calculations	String 1	9 5/8 "	
Max BHP [psi]	.052*Setting Depth*MW =	1005	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	729	NO — O.K. Air drill - stripper head
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	499	YES
			***Can Full Expected Pressure Be Held At Previous Shoe?**
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	512	NO Reasonable
Required Casing/BOPE Test Pressure		2300	psi
***Max Pressure Allowed @ Previous Casing Shoe =**		60	psi *Assumes 1psi/ft frac gradient

Calculations	String 2	4 1/2 "	
Max BHP [psi]	.052*Setting Depth*MW =	3836	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	2993	YES ✓
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	2290	YES
			***Can Full Expected Pressure Be Held At Previous Shoe?**
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	2796	NO O.K.
Required Casing/BOPE Test Pressure		5000	psi
***Max Pressure Allowed @ Previous Casing Shoe =**		2300	psi *Assumes 1psi/ft frac gradient

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED:	6/30/2008	**API NO. ASSIGNED:**	43047500630000
WELL NAME:	NBU 736-36E		
OPERATOR:	EOG Resources, Inc. (N9550)	**PHONE NUMBER:**	435 781-9111
CONTACT:	Kaylene Gardner		
PROPOSED LOCATION:	SENE 36 090S 200E	**Permit Tech Review:**	☑
SURFACE:	2080 FNL 0661 FEL	**Engineering Review:**	☑
BOTTOM:	2080 FNL 0661 FEL	**Geology Review:**	☑
COUNTY:	UINTAH		
LATITUDE:	39.99311	**LONGITUDE:**	-109.60663
UTM SURF EASTINGS:	618955.00	**NORTHINGS:**	4427712.00
FIELD NAME:	NATURAL BUTTES		
LEASE TYPE:	3 - State		
LEASE NUMBER:	ML-3140.5	**PROPOSED FORMATION:**	NHORN
SURFACE OWNER:	3 - State	**COALBED METHANE:**	NO

RECEIVED AND/OR REVIEWED:

- ☑ **PLAT**
- ☑ **Bond:** STATE/FEE - 6196017
- ☐ **Potash**
- ☐ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ☑ **Water Permit:** 49-225
- ☐ **RDCC Review:**
- ☐ **Fee Surface Agreement**
- ☐ **Intent to Commingle**

LOCATION AND SITING:

- ☐ **R649-2-3.**

  Unit:
- ☐ **R649-3-2. General**
- ☐ **R649-3-3. Exception**
- ☐ **Drilling Unit**

  Board Cause No:

  Effective Date:

  Siting:
- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed
APD IS APRVD IN U/POD:

Stipulations:
5 - Statement of Basis - bhill
13 - Cement Volume Formation (3a) - hmacdonald
17 - Oil Shale 190-5(b) - dmason
25 - Surface Casing - hmacdonald

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

Permit To Drill
****

Well Name: NBU 736-36E
API Well Number: 43047500630000
Lease Number: ML-3140.5
Surface Owner: STATE
Approval Date: 9/15/2008

Issued to:
EOG Resources, Inc., 1060 East Highway 40, Vernal, UT 84078

Authority:
Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of CAUSE: 173-14.

Duration:
This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:
Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:
In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operators shall ensure that the surface and or production casing is properly cemented over the entire oil shale section as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the division.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Cement volume for the 4 1/2 production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to 2100' MD in order to raise cement level to 200' above surface casing shoe.

Surface casing shall be cemented to the surface.

Notification Requirements:

API Well No: 43047500630000

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing - contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to spudding the well - contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program - contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well - contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well - contact Dustin Doucet
- Any changes to the approved drilling plan - contact Dustin Doucet

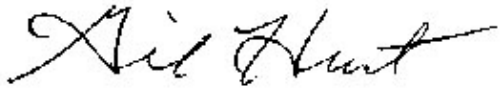
The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office
  (801) 942-0873 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office
  (801) 733-0983 home

Reporting Requirements:

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

Approved By:



Gil Hunt
Associate Director, Oil & Gas

API Well No: 43047500630000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: ML-3140.5

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 736-36E

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43047500630000

3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078

PHONE NUMBER: 435 781-9111 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2080 FNL 0661 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 36 Township: 09.0S Range: 20.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 9/11/2009	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

Approved by the Utah Division of Oil, Gas and Mining

Date: September 14, 2009

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mickenzie Thacker	435 781-9145	Operations Clerk
SIGNATURE N/A		**DATE** 9/11/2009

RECEIVED September 11, 2009

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047500630000

API: 43047500630000
Well Name: NBU 736-36E
Location: 2080 FNL 0661 FEL QTR SENE SEC 36 TWNP 090S RNG 200E MER S
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 9/15/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ○ **Yes** ◉ **No**
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ **Yes** ◉ **No**
- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ **Yes** ◉ **No**
- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ **Yes** ◉ **No**
- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Approved by the Utah Division of Oil, Gas and Mining

Signature: Mickenzie Thacker **Date:** 9/11/2009
Title: Operations Clerk **Representing:** EOG RESOURCES, INC.

Date: September 14, 2009
By: Dustin Doucet

RECEIVED September 11, 2009

API Well No: 43047500630000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: ML-3140.5

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 736-36E

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER: 43047500630000

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779 **PHONE NUMBER:** 720 929-6007 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2080 FNL 0661 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 36 Township: 09.0S Range: 20.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 9/15/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

Approved by the Utah Division of Oil, Gas and Mining

Date: September 20, 2010

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Danielle Piernot	720 929-6156	Regulatory Analyst
SIGNATURE N/A		**DATE** 9/15/2010

RECEIVED September 15, 2010

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047500630000

API: 43047500630000
Well Name: NBU 736-36E
Location: 2080 FNL 0661 FEL QTR SENE SEC 36 TWNP 090S RNG 200E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 9/15/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ○ **Yes** ◉ **No**
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ **Yes** ◉ **No**
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- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ **Yes** ◉ **No**
- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Approved by the Utah Division of Oil, Gas and Mining

Signature: Danielle Piernot **Date:** 9/15/2010
Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: September 20, 2010

By: 

RECEIVED September 15, 2010

GARY R. HERBERT
Governor
GREG BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

September 23, 2011

Kerr McGee Oil & Gas Onshore, L.P.
P.O. Box 173779
Denver, CO 80217

Re: APD Rescinded – NBU 736-36E, Sec. 36, T.9S, R.20E, Uintah County, Utah API No. 43-047-50063

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 15, 2008. On September 14, 2009 and September 20, 2010 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 23, 2011.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING